



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

February 9, 1994

*Surety & RC
Replaces 11-13-01*

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director *LOB*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Approval, Amount and Form of Reclamation Surety, Chemstar Lime Company, Marblehead Mountain Processing Facility, M/045/024, Tooele County, Utah

The Division seeks approval from the Board of Oil, Gas and Mining of the amount and form of reclamation surety as posted by Chemstar Lime Company (Chemstar) for their Marblehead Mountain Processing Facility located in Tooele County, Utah. Chemstar has purchased this limestone processing plant from U.S. Pollution Control Incorporated (USPCI) and has made application with the Division to acquire the existing approved permit for this property. As part of the Division's formal permit transfer process, Chemstar must file a replacement Reclamation Contract agreement and reclamation surety with the Division.

Attached for your information and review is a copy of the following information:

1. Summary checklist
2. Updated Executive Summary
3. Location map
4. DOGM's revised (escalated) surety estimate
5. Reclamation Contract (FORM MR-RC)
6. Reclamation Surety (surety bond - \$272,000)

Upon the Board's acceptance of the amount and form of reclamation surety, the Division will issue written approval to finalize the permit transfer from USPCI to Chemstar. Thank you for your time and consideration of this request.

dwh
attachments
M045024.brd



DOGM MINERALS PROGRAM

Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared February 9, 1994

Company Name Chemstar Lime Company
Mine Name Marblehead Mtn. Processing Facility
File No. M/045/024

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		Revised (escalated) estimate
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond/Reclamation Surety	X		Surety Bond
Surety Sign Off (Other State/Federal Agencies)		X	Not Applicable
RDCC Clearance		X	Not required, previously approved permit

File Number M/045/024
Effective Date 3/23/94

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*This contract -
replaced 11-09-94. This original
returned to operator.
11-16-01 JB*

RECLAMATION CONTRACT
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>ACT/045/024</u>
(Mineral Mined)	<u>Dolomite and Limestone</u>
"MINE LOCATION":	
(Name of Mine)	<u>Marblehead Mountain Processing Facility</u>
(Description)	<u>(Processing of Dolomite)</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>80 acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Chemstar Lime Company</u>
(Address)	<u>7272 E. Indian School Road, Suite 350</u> <u>Scottsdale, Arizona 85251-3951</u>
(Phone)	<u>(602) 941-1291</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

The Prentice-Hall Corporation System, Inc.

185 South State Street

Salt Lake City, Utah 84111

"OPERATOR'S OFFICER(S)":

David M. Reilly, President & COO

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Union Fire Insurance Company
of Pittsburgh, PA

"SURETY AMOUNT":

(Escalated Dollars)

\$272,000.00

"ESCALATION YEAR":

1998 Dollars

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Chemstar Lime Company the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/024 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 30, 1977, and the original Reclamation Plan dated June 30, 1977. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

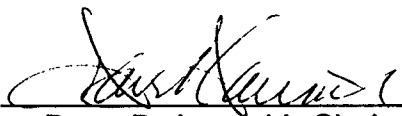
Ann Billian, Assistant Treasurer
Authorized Officer (Typed or Printed)

Ann Billian
Authorized Officer's Signature

10/21/93
Date

SO AGREED this 23rd day of March, 19 94.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

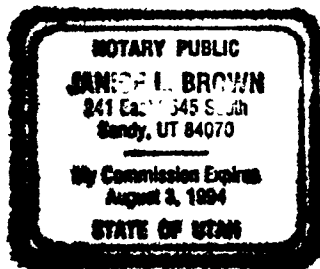
James W. Carter, Director

Date

3/23/94

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 23rd day of March, 19 94, personally appeared before me, who being duly sworn did say that he/she, the said JAMES W. CARTER is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



James L. Brown
Notary Public
Residing at: Sandy, Utah

August 3, 1994
My Commission Expires:

OPERATOR:

Chemstar Lime Company
Operator Name

By Ann Billian, Assistant Treasurer
Corporate Officer - Position

10/21/93
Date

Ann Billian
Signature

STATE OF TEXAS)
) ss:
COUNTY OF TARRANT)

On the 21 day of October, 19 93, personally
appeared before me Ann Billian who
being by me duly sworn did say that ~~he~~/she, the said Ann Billian
is the Assistant Treasurer of Chemstar Lime Company
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Ann Billian duly acknowledged to me that said
company executed the same.



Kitty L. Bookout
Notary Public
Residing at: Keller, Texas

12/21/96
My Commission Expires:

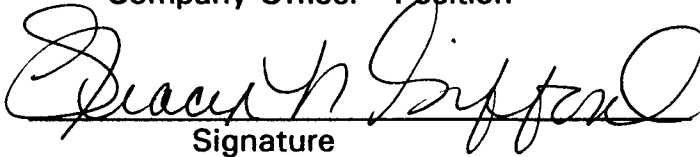
SURETY:

National Union Fire Insurance Company
of Pittsburgh, PA
Surety Company

By Tracy L. Gifford, Attorney-in-Fact
Company Officer - Position

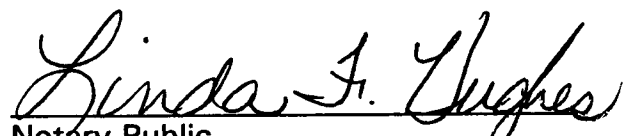
October 4, 1993

Date


Signature

STATE OF TEXAS)
) ss:
COUNTY OF TARRANT)

On the 4th day of October, 19 93, personally
appeared before me Linda F. Hughes who
being by me duly sworn did say that he/she, the said Tracy L. Gifford
is the Attorney-in-Fact of Natl Union Fire Ins Co of Pittsburgh, PA
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Tracy L. Gifford duly acknowledged to me that said
company executed the same.


Notary Public
Residing at: Fort Worth, Texas

My Commission Expires: 10-31-96

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

---Gary B. McElroy, Linda F. Hughes, Tracy L. Gifford, Bonnie S. Wyatt, Linda W. Sinku: of Fort Worth, Texas---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents

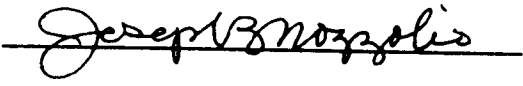


this 29 day of July, 1991.


Mark E. Reagan, Senior Vice President

STATE OF NEW YORK)
COUNTY OF NEW YORK)ss.

On this 29 day of July, 1991,
before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.


JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1992

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

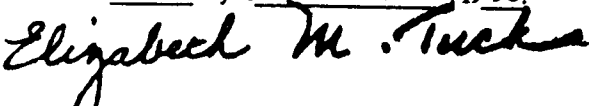
"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 4th day of October, 1993.


Elizabeth M. Tuck, Secretary

ATTACHMENT "A"

Chemstar Lime Company
Operator

ACT/045/024
Permit Number

Marblehead Mountain Processing Facility
Mine Name

Tooele **County, Utah**

The legal description of lands to be disturbed is:

Approximately 80 acres situated within the E2 NW1/4, Section 2, Township 1 North,
Range 9 West, Salt Lake Meridian, Tooele County, Utah.

ATTACHMENT B

MR FORM 5
April 8, 1993

Bond Number _____
Permit Number ACT/045/024
Mine Name Marblehead Mountain
Processing Facility

RECEIVED

NOV 01 1993

DIVISION OF
OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT

*This surety replaced
Original returned to
operator 11/16/01.*

SURETY BOND

The undersigned Chemstar Lime Company, as
Principal, and National Union Fire Insurance Company of Pittsburgh, PA, as
Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors,
successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil,
Gas and Mining (Division) in the penal sum of TWO HUNDRED SEVENTY TWO THOUSAND & NO/100
dollars (\$ 272,000.00-----).

Principal has estimated in the Mining and Reclamation Plan approved by the
Division on the 27 day of July, 1989, that eighty (80)
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining
and Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act
and regulations, then Principal may apply for a reduction in the amount of this Surety
Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual
increase in the area disturbed or the extent of disturbance, then, the Division may
require that the amount of this Surety Bond be increased, with the written approval of
the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 10/21/93

Chemstar Lime Company
Principal (Permittee)

By (Name typed): Ann Billian

Title: Assistant Treasurer

Signature: Ann Billian

Date October 4, 1993

National Union Fire Insurance Company
of Pittsburgh, PA

Surety

COUNTERSIGNED BY:

Gwyn Davidson
Gwyn Davidson, Utah Resident Agent

By (Name typed): Tracy L. Gifford


Title: Attorney-in-Fact

Signature: Tracy L. Gifford

Bond Number _____
Permit Number ACT/045/024
Mine Name Marblehead Mountain
Processing Facility

SO AGREED this 23rd day of March, 19 94.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

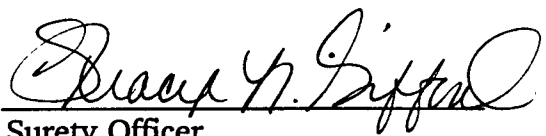


Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

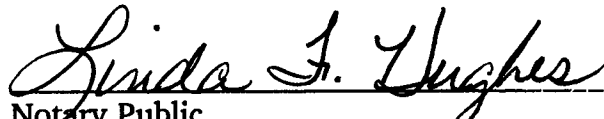
AFFIDAVIT OF QUALIFICATION

Tracy L. Gifford, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: 
Surety Officer

Title: Attorney-in-Fact

Subscribed and sworn to before me this 4th day of October, 19 93.


Notary Public
Residing at: Fort Worth, Texas

My Commission Expires:

October 31, 19 96

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

---Gary B. McElroy, Linda F. Hughes, Tracy L. Gifford, Bonnie S. Wyatt, Linda W. Sinku: of Fort Worth, Texas---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents



this 22 day of July, 1991.

Mark E. Reagan, Senior Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK) ss.

On this 22 day of July, 1991,
before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1992

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 4th day of October, 1993.

Elizabeth M. Tuck
Elizabeth M. Tuck, Secretary